Requirement of cotton in textile industry

565. SHRI N.R. GOVINDARAJAR: Will the Minister of TEXTILES be pleased to state:

(a) the estimated requirement of cotton in the textile industry in the country at present and the quantity available for domestic textile sector;

(b) whether it is a fact that the textile industry has reduced its production by 25 per cent due to non-availability of cotton;

(c) if so, the details thereof;

(d) whether Government has any proposal to impose restriction on the export of cotton to meet the demands of the domestic textile sector; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRIMATI PANABAKA LAKSHMI): (a) The Cotton Advisory Board (CAB) has estimated total requirement of cotton in the textile industry in the country at present is 230 lakh bales and the quantity available for domestic textile sector is 290 lakh bales.

(b) No.

(c) Does not arise in view of (b) above.

(d) No.

(e) Does not arise in view of (b) above.

Steps to resolve problems of textile industry

566. SHRI RAJNITI PRASAD: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that due to dumping of Chinese garments in India the materials prepared by small weavers in the country are not being sold in the market;

(b) if so, the steps being taken by Government to save the livelihood of these small weavers;

(c) whether it is also a fact that entrepreneurs engaged in domestic textile industry are facing the shortage of resources because banks do not provide them loan at concessional rate; and

(d) if so, the steps being taken by Government to provide funds as well as to solve the other problems of this industry?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRIMATI PANABAKA LAKSHMI): (a) No, Sir.

(b) Almost all garments items, including garments imported from China, are covered under the mixed duty structure *i.e. ad-valorem* or specific duty, on 'whichever is higher' basis. Specific duty has been imposed to protect the domestic textiles industry from cheaper imports.

(c) and (d) In order to provide loans at reduced rate, Government launched Technology Upgradation Fund Scheme (TUFS) for textiles and jute industries *w.e.f.* 1.4.1999. The Scheme has been extended upto 31.3.2012. Under the Scheme, 5% of interest reimbursement or 15% Margin Money Subsidy (MMS) to Small Scale (SSI) Sector or 20% of Margin Money Subsidy to powerloom sector is being provided and the term loan sanctioned and disbursed. under the Scheme is showing consistent increase over the years. To strengthen the textiles industry, the important steps taken by the Government from time-to-time are furnished in the Statement.

Statement

Measures for strengthening of textiles sector

Government of India accords utmost priority to promotion of textiles seclor in view of its potential for employment generation and foreign exchange earnings. In this context, the following measures may be enumerated which are applicable for the entire country:

i) To improve productivity and quality of cotton for manufacture and export of competitive downstream textile products, Government has launched the Technology Mission on Cotton (TMC).

ii) To facilitate the modernisation and upgradation of the textile industry both in the organised and unorganized sector, the Technology Upgradation Fund Scheme (TUFS) has been launched. The Scheme has been further fine tuned to increase the rapid investments in the targeted sub-sectors of the textile industry. The cost of machinery has been further brought down by reducing the customs duty on imports.

iii) To provide the textile industry with world-class infrastructure facilities for setting up their textile units meeting international environmental and social standards, a Public-Private Partnership (PPP) based Scheme known as the "Scheme for Integrated Textile Park (SITP)" has been introduced in August 2005.

iv) The fiscal duty structure has been generally rationalized to achieve growth and maximum value addition within the country in successive Budgets from 2004-05 onwards.

v) In order to cater to the growing skilled manpower requirements as shop floor level. Government is providing assistance for strengthening existing and opening new Apparel Training and Design Centres (ATDCs).

vi) Government has allowed 100% Foreign Direct Investment in the textile sector under automatic route.

vii) Government has de-reserved the readymade garments, hosiery and knitwear from SSI sector so that large scale investments may be encouraged in these sectors.

viii) National Institute of Fashion Technology (NIFT) has been set up to provide the leadership role in sensitizing the Industry to the concept of value addition by inducting trained professionals to

manage the industry. This has resulted in an increased demand for trained professionals in various sectors servicing the industry.

2. In the recent past, some of the steps taken by the Government to support the textiles and garments industry are as under:-

i) DEPB Scheme extended till May 2009.

ii) Income Tax benefit to 100% EOUs under Section 10B of IT. Act, being extended by Government for one more year, beyond 31.3.2009.

iii) Customs duty payable under EPCG scheme reduced from 5% to 3%.

iv) Average export obligation under EPCG for Premier Trading Houses shall, as an option, be calculated; based on the average of last 5 years export, instead of the present 3 years.

v) Exports made towards fulfillment of export obligation under EPCG Scheme shall be eligible for incentives/rewards under promotional schemes.

vi) In case of textile and granite sector EOUs, payment of only excise duty on DTA sale. In case the use of duty paid imported inputs is up to 3% of the FOB value of exports.

vii) Enhanced duty credit scrip of 2.5% (instead of the normal 1.25% under FPS) would be allowed for export of High value added manufactured products.

viii) Inclusion of 10 more countries within the ambit of Focus Market Scheme.

ix) Measures to reduce transaction cost to the exporters and procedural simplification have also been incorporated.

In addition to the above, the Government announced on 7th December, 2008 and 2nd January, 2009, packages of measures to stimulate the economy. So far as the textiles sector is concerned, the measures, *inter-alia*, provide for the following:

i) Additional allocation of Rs, 1400 crore to clear the backlog of Technology Upgradation Fund Scheme (TUFS);

ii) All items of handicrafts included under 'Vishesh Krishi & Gram Udyog Yojana (VK&GUY)';

iii) Across-the-board cut of 4% in the *ad-valorem* Cenvat rate till 31.3.2009;

iv) Interest subvention of 2% upto 30.9.2009 subject to a minimum of 7% per annum on pre and post-shipment export credit;

v) Provision of additional funds for full refund of Terminal Excise Duty/Central Sales Tax.

vi) Enhanced back-up guarantee to ECGC to cover for exports to difficult markets/products;

vii) Refund of Service Tax on foreign agent commissions of upto 10% of FOB value of exports as well as refund of service tax on output service while availing benefits under Duty Drawback Scheme;

viii) Credit targets of Public Sector Banks revised upward to reflect the needs of the economy;

ix) State Level Bankers Committee to hold meetings for resolution of Credit issues of MSMEs;

x) Guarantee cover under Credit Guarantee Scheme doubted to Rs. 1 crore with cover of 50%;

xi) DEPB rates restored to pre November, 2008 levels and extended till 31.12.2009;

xii) Duty Drawback on knitted fabrics enhanced retrospectively from 1.9.2008.

Plight of handloom weavers due to global meltdown

567. SHRI N. BALAGANGA: Will the Minister of TEXTILES be pleased to state:

(a) whether Government is aware about the plight of the handloom weavers due to the global meltdown; and

(b) the action contemplated by Government to save the handloom sector from the present crisis?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRIMATI PANABAKA LAKSHMI): (a) The Government has not received any report from any State Government about the plight of handloom weavers due to the global meltdown.

(b) Does not arise.

Conventional and Rapier powerlooms

568. SHRI T.K. RANGARAJAN: Will the Minister of TEXTILES be pleased to state:

(a) the number of Conventional power looms and Rapier powerlooms at present working in the country. State-wise;

(b) the steps taken to make available adequate cotton and power to this sector for unhindered production; and

(c) the steps taken in view of the global recession to lift this sector from the present slump?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRIMATI PANABAKA LAKSHMI): (a) No. of powerlooms including Rapier looms at present working in country. State/Union Territory-wise as on 31.12.2008 is enclosed at Statement-I (*See* below) Data is not separately for Rapier Looms, However, State-wise number of shuttleless looms - which includes Rapier looms also - installed since inception of 20% Credit Linked Capital Subsidy (CLCS) scheme in November 2003 as on 30.6.2009 is as under:

Name of the State	No. of shuttleless looms
1	2
Andhra Pradesh	163
Gujarat	3807
Haryana	295